



PRESS RELEASE

March 21, 2016

CSE: IWS; FRANKFURT: IWI

IWS ANNOUNCES BRIDGE LOAN

International Wastewater Systems Inc. (“IWS” or the “Company”) (CSE:IWS) (FRANKFURT:IWI) announces that it has entered into an agreement with an arm's length private lender to loan the Company an aggregate of CDN\$400,000 (the "Loan").

The Loan is secured against the assets of the Company, bears interest at a rate of 2% per month and carries a commitment fee equal to 4% of the Loan. The Loan matures and becomes payable in 3 months and may be prepaid by the Company at any time prior to the maturity date. In consideration for the Loan, the Company will issue an aggregate of 500,000 share purchase warrants (“Warrants”) exercisable into 500,000 common shares at a price of \$0.28 per common share. The Warrants are exercisable for three years and are subject to an acceleration clause in the event that the shares of the Company trade at a price of \$0.56 or greater for a period of 20 consecutive days with an average daily trading volume of a minimum 100,000 shares during the same 20-day period.

The proceeds of the Loan provide IWS with additional working capital flexibility. The Company is experiencing rapid growth with current projects at various stages of development in Scotland, Canada the US and Australia.

ON BEHALF OF THE BOARD

“Lynn Mueller”

Lynn Mueller
Chairman and Chief Executive Officer

FOR MORE INFORMATION, PLEASE CONTACT:
Yaron Conforti, CFO and Director at (416) 716-8181

About International Wastewater Systems Inc.

International Wastewater Systems Inc. (CSE: IWS) (FRANKFURT: IWI) is a world leader in wastewater heat recovery. IWS systems recycle thermal energy from wastewater, generating

the most energy efficient and economical systems for heating, cooling & hot water for commercial, residential and industrial buildings.

The CSE does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Information

This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include regulatory actions, market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.